



November 13, 2001

Policy Brief.....Conference Report FY 2002 Agriculture Appropriations

BY THE NUMBERS:

Budget Authority in Thousands of Dollars

	FY '01 Enacted	FY '02 Request	FY '02 House	FY '02 Senate	FY '02 Conference
Appropriations	15,054,751	15,408,786	15,668,400	16,136,143	16,018,000
Emergency Spending	3,638,949	0	0	0	0
Grand Total	18,693,700	15,408,786	15,668,400	16,136,143	16,136,143

Excluding Emergency Spending, the Conference Report is:

- **\$963 million or 6.4% above last year;**
- **\$609 million or 4.0% above the President's request;**
- **\$350 million or 2.2% above the House passed bill; and**
- **\$118 million or 0.7% below the Senate passed bill.**

ITEMS OF NOTE:

Local Television Loan Program: The Conference Report includes authorization for loans and subsidies for the local television loan program authorized last year. The President did not request funding for this program, and no funding was included in the House bill. In total \$258 million worth of loans are authorized, and \$20 million is provided for the subsidy cost of these loans.

Electricity Loans: The Conference Report increases the loan authorization levels for the Rural Utility Electrification Program by \$1.5 billion. The current loan limit is \$2.6 billion, and the President proposed the same level. This increase in government-subsidized loans is direct competition with the private sector. Furthermore, the Administration has expressed concerns about the ability of the Rural Utility Service staff to administer this level of loans, thus increasing the likelihood of default and increasing the risk to taxpayers.

Kyoto Protocol: The Conference Report does NOT contain previously carried language prohibiting the implementation of the Kyoto Protocol.

American Heritage Rivers: The Conference Report does NOT contain previously carried provisions limiting funding for the American Heritage River Program.

Check-off Programs: The Conference Report includes a provision prohibiting the use of funds to carry out a “**check-off**” program (mandatory assessment against agriculture producers which funds a commodity promotion, research, and consumer information program) unless the program has been approved by the affected producers (approved via vote). This provision effectively ends the **pork check-off** program which a majority of producers recently voted to terminate, but which the Administration is continuing.

Set-Aside for Countries to Assist in Fighting HIV: the Conference Report sets aside \$25 million worth of commodities provided to foreign countries for assistance in mitigating the effects of HIV.

Assistance for Apple Producers: The Conference Report provides \$75 million from the Commodity Credit Corporation to apple producers for the loss of markets for their 2000 crop.

Acquisition of Electricity: The Conference Report provides permanent language instructing the Administrator of the Rural Utilities Service to finance the acquisition of existing electrical utilities in rural areas.

Delay in Payment of Assessments for Raw Cane Sugar and Beet Sugar: The Conference Report permits individuals to delay their payment of marketing assessments for FY 2002 until September 2, 2002.

Payments to Rural Schools: The Conference Report temporarily revises the calculation of payments under the Secure Rural Schools and Community Self-Determination Act.

Grading of Tobacco: The Conference Report directs the Secretary of Agriculture to conduct a referendum among producers of tobacco of each kind to determine whether such producers favor the mandatory grading of tobacco by the Secretary, and if such grading is approved the Secretary is directed to implement the grading to be paid for by the collection of fees.

Horse Breeder Loans: The Conference Report authorizes loans to horse breeders for losses suffered as a result of mare reproductive loss syndrome.

Rural Broadband: The Conference Report authorizes assistance to rural communities with extreme unemployment or severe economic depression to establish affordable broadband services.

Cranberries: The Conference Report authorizes the Secretary to implement a producer allotment program and a handler withholding program under the cranberry marketing order through informal rulemaking.

Milk Price Support Program: The Conference Report extends the Milk Price Support Program through May 31, 2002.

Payments to Tobacco Producers: The Conference Report directs that payments out of the commodity Credit Corporation be made by March 31, 2002, to producers of fire-cured tobacco types 22 and 23, dark air-cured tobacco types 35 and 36, and Virginia sun-cured tobacco type 37.

Funding for States Who Are Less Successful Under the Competitive, Special, and Facilities Research Grant Act: The Conference Report authorizes grants to improve the research capabilities of States that are less successful in receiving funds under the competitive program.

FUNDING SUMMARIES:

Budget Authority in Thousands of Dollars

	FY 2001 Enacted	FY 2002 Request	FY 2002 House	FY 2002 Senate	FY 2002 Conference	Conf Vs. FY 2001	Conf Vs. Request
Agriculture Programs							
Office of the Secretary.....	2,908	2,992	3,015	2,992	2,992	2.89%	0.00%
Executive Operations.....	81,691	102,357	102,692	102,357	102,396	25.35%	0.04%
Hazardous Materials Management.....	15,665	15,665	15,665	15,665	15,665	0.00%	0.00%
Outreach to Socially Disadvantaged Farmers.....	2,993	2,993	2,993	3,493	3,243	8.35%	8.35%
Inspector General.....	68,715	70,839	71,429	70,839	70,839	3.09%	0.00%
Economic Research Service.....	66,891	67,200	67,620	67,200	67,200	0.46%	0.00%
Agriculture Statistics Service.....	100,550	113,786	114,546	113,786	113,786	13.16%	0.00%
Agriculture Research Service.....	970,872	946,053	1,050,227	1,099,063	1,098,451	13.14%	16.11%
Cooperative State Research, Education & Extension..	979,403	862,572	986,836	1,018,738	1,024,388	4.59%	18.76%
Animal & Plant Health Inspection Service.....	539,245	708,114	594,575	607,943	627,679	16.40%	-11.36%
Agriculture Marketing Service.....	66,538	72,777	73,121	72,777	72,777	9.38%	0.00%
Grain Inspection, Packer & Stockyards Admin.....	31,350	32,907	33,117	34,000	33,117	5.64%	0.64%
Food Safety & Inspection Service.....	695,171	715,542	720,652	715,747	715,642	2.94%	0.01%
Farm Service Agency.....	829,556	942,023	948,986	943,023	942,523	13.62%	0.05%
Loan Subsidies.....	116,733	185,377	185,377	187,627	187,627	60.73%	1.21%
Agriculture Credit Insurance Expenses.....	268,861	280,595	282,769	280,595	280,595	4.36%	0.00%
Risk Management Agency.....	65,453	74,752	75,142	73,752	74,752	14.21%	0.00%
Conservation Programs							
Office of the Under Secretary.....	709	730	736	730	730	2.96%	0.00%
Conservation Operations.....	712,545	773,454	782,762	807,454	779,000	9.33%	0.72%
Watershed Surveys & Planning.....	10,844	10,960	11,030	10,960	10,960	1.07%	0.00%
Watershed & Flood Prevention.....	99,224	100,413	111,143	100,413	106,590	7.42%	6.15%
Watershed Rehabilitation.....	0	0	0	10,000	10,000		
Resource Conservation.....	41,923	43,048	48,361	48,048	48,048	14.61%	11.61%
Forestry Incentives.....	6,311	0	0	7,811	6,811	7.92%	
Rescission.....	0	0	-45,000	0	0		

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Rural Development							
Office of the Under Secretary.....	604	623	628	623	623	3.15%	0.00%
Rural Community Advancement Program.....	760,864	692,125	767,465	1,004,125	806,557	6.01%	16.53%
Salaries & Expenses.....	579,682	595,882	600,833	600,778	600,778	3.64%	0.82%
<i>Rural Housing Loan Authorization.....</i>	<i>4,476,160</i>	<i>4,470,648</i>	<i>4,470,648</i>	<i>4,501,044</i>	<i>4,485,846</i>	0.22%	0.34%
Rural Housing Loan Subsidy.....	254,080	243,887	243,887	247,887	245,887	-3.22%	0.82%
Rental Assistance Program.....	678,504	693,504	693,504	708,504	701,004	3.32%	1.08%
Mutual & Self-Help Housing Grants.....	33,925	33,925	33,925	35,000	35,000	3.17%	3.17%
Rural Housing Assistance Grants.....	43,903	38,914	38,914	38,914	38,914	-11.36%	0.00%
Farm Labor Program Account.....	29,934	28,431	31,431	28,431	31,431	5.00%	10.55%
<i>Rural Business-Cooperative Loan Authorization.....</i>	<i>53,141</i>	<i>53,137</i>	<i>53,137</i>	<i>53,137</i>	<i>53,137</i>	-0.01%	0.00%
Rural Business Loan Subsidy.....	23,345	20,110	20,110	20,110	20,110	-13.86%	0.00%
Rural Cooperative Development Grants.....	6,486	6,486	7,500	8,000	7,750	19.49%	19.49%
Rural Empowerment Zone Grants.....	0	14,967	14,967	14,967	14,967		0.00%
<i>Rural Utility Loan Authorization.....</i>	<i>3,110,321</i>	<i>3,110,292</i>	<i>4,610,292</i>	<i>4,565,934</i>	<i>4,565,934</i>	46.80%	46.80%
Rural Utility Loan Subsidy.....	40,285	5,725	5,725	5,725	5,725	-85.79%	0.00%
<i>Rural Telephone Bank Loan Authorization.....</i>	<i>174,615</i>	<i>0</i>	<i>174,615</i>	<i>174,615</i>	<i>174,615</i>	0.00%	
Rural Telephone Bank Loan Subsidy.....	2,584	0	2,584	3,737	3,737	44.62%	
Distance Learning & Telemedicine Grants.....	26,941	26,941	26,941	51,941	49,441	83.52%	83.52%
<i>Local Television Loan Authorization.....</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>322,580</i>	<i>258,065</i>		
Local Television Loan Subsidy.....	0	0	0	25,000	20,000		
Domestic Food Programs							
Office of the Under Secretary.....	569	587	592	587	587	3.16%	0.00%
WIC.....	4,043,086	4,137,086	4,137,086	4,247,086	4,348,000	7.54%	5.10%
Commodity Assistance Program.....	139,991	139,991	152,813	139,991	152,813	9.16%	9.16%
Food Donation Programs.....	150,751	150,749	160,749	150,749	150,749	0.00%	0.00%
Foreign Assistance							
Foreign Agriculture Service.....	115,170	121,563	122,631	121,563	121,813	5.77%	0.21%
PL 480 Program.....	971,217	971,376	980,049	1,002,500	998,691	2.83%	2.81%
FDA							
Salaries & Expenses.....	1,066,173	1,173,673	1,183,573	1,183,670	1,183,670	11.02%	0.85%
Drug Reimportation.....	22,949	2,950	0	0	0	-100.00%	-100.00%
Buildings & Facilities.....	31,281	34,281	34,281	34,281	34,281	9.59%	0.00%
Total, FDA.....	1,120,403	1,210,904	1,217,854	1,217,951	1,217,951	8.71%	0.58%
General Provisions							
Hunger Fellowships.....	1,996	1,996	4,000	1,996	2,496	25.05%	25.05%
Sheep Industry Improvement Center.....	5,000	0	1,000	0	1,000	-80.00%	

EARMARKS:

The bill earmarks millions of dollars for specific agriculture research projects and rural projects. The bill also designates numerous communities to receive funding under rural programs even though they might not otherwise qualify.